

R7-2-316. Charter Schools Stimulus Fund

- A. "Start-up costs" mean those costs associated with developing or implementing the following essential components of a charter school:
1. The hiring of teachers and other essential staff members;
 2. The hiring of a chief administrative officer and other costs associated with instituting the administrative structure of the school;
 3. Curriculum development and implementation;
 4. The leasing of physical facilities or equipment and costs associated with establishment of utility services and accounts;
 5. Operational expenses incurred prior to the date on which the charter school begins operations;
 6. The development and implementation of an accounting system which complies with the uniform system of financial records requirements;
 7. Obtaining insurance, including prepayment of premiums which will effectuate insurance coverage during the first year of operation;
 8. Costs associated with licensing and compliance with other health, safety and civil rights requirements.
- B. "Costs associated with renovating or remodeling existing buildings and structures" means those costs associated with the following essential components:
1. Modifications affecting the structural integrity of the building, including those changes needed to meet building code and zoning standards.
 2. Modifications needed to meet non-structural building code requirements, such as those related to plumbing, electrical wiring and fire safety.
 3. Modifications needed to meet state health standards, such as those related to rest rooms and food preparation and service.
 4. Adjusting the size of rooms to accommodate the number of students to be served.
 5. Construction-related finish work, such as exterior and interior replastering and painting, carpeting, flooring, baseboards and door hanging.
 6. Roofing and air conditioning/heating installation or repair required prior to operation of the school.
 7. Access requirements for persons with disabilities.
- C. The State Board of Education shall, subject to legislative appropriation, provide an initial grant or an additional grant from the charter schools stimulus fund to applicants who have a charter or application that has been approved by a sponsor pursuant to A.R.S. § 15-183 and who meet the requirements of A.R.S. § 15-188 and this Section. The grant may be in any amount up to \$100,000 per charter school applicant or charter school.
- D. The application for an initial grant shall include:
1. A copy of the applicant's charter;
 2. The identity of the sponsor which approved the charter;
 3. The total amount of funding requested;
 4. An itemization of the specific start-up costs and costs associated with renovating or remodeling existing building and structures for which the funds will be used. Itemization shall include the amount of funds requested for each essential component and a detailed explanation of the basis for calculating the amount requested;
 5. The number of students to be served at the school;
 6. The dimensions of the facility in which the school is to be operated;
7. A description of the extent to which the facility must be remodeled or renovated in order to meet applicable health and safety standards, unless this information is included in the applicant's charter.
- E. The application for an additional grant shall be in a format approved by the State Board of Education and shall include:
1. The date and amount of the initial grant award.
 2. A copy of any amendments or other modifications to the charter or application which formed the basis for the initial grant.
 3. The identity of the current sponsor of the charter school.
 4. An itemized accounting of the expenditures made with the initial grant monies.
 5. The total amount of additional funding requested.
 6. An itemization of the specific start-up costs associated with renovating or remodeling existing buildings and structures for which the additional funds will be used. Itemization shall include the amount of funds requested for each essential component and a detailed explanation of the basis for calculating the amount requested.
- F. In its review of an application for a stimulus fund grant, the State Board of Education may receive information concerning the application from the Department of Education, an advisory committee, and any other source. The State Board may award a grant in an amount different from that requested by the applicant. No grant shall be awarded pursuant to this Section unless the State Board determines that:
1. Every amount requested in the applicant's itemization of costs is for the essential component with which the amount is associated; and
 2. Based on all of the information before the State Board concerning the application, there is a rational basis for the award of funds.
- G. No applicant or charter school shall be eligible for more than one initial grant and one additional grant, regardless of the amount awarded.
- H. An applicant who receives an initial grant and fails to begin operating a charter school within the 18 months following the date of the award shall reimburse the Department of Education for the amount of the initial grant plus interest calculated at a rate of 10% per year. Such reimbursement is immediately due and payable at the end of the initial 18-month period.
- I. An applicant who receives an additional grant and fails to begin operating a charter school within the 18 months following the date of the award shall reimburse the Department of Education for the amount of the initial grant plus interest calculated at a rate of 10% per year. Such reimbursement is immediately due and payable at the end of the applicable 18-period and is in addition to any amounts required by subsection (H).
- J. An applicant for a grant pursuant to this rule shall be notified of the date at which the State Board of Education shall consider the application no less than ten days in advance thereof. Written notification of the Board's decision concerning an application for a grant shall be mailed to the applicant within ten days following such decision.

Historical Note

Adopted effective April 20, 1995 (Supp. 95-2).